

QUARTERLY REPORT

TRADING NAME OF LICENSEE: Bally's Park Place, Inc. (Bally's Atlantic City)

For The Quarter Ended March 31, 2002

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

BALANCE SHEETS

MARCH 31, 2002 AND 2001

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2002 (c)	2001 (d)
	ASSETS		
	Current Assets:		
1	Cash and cash equivalents.	\$ 31,843	\$ 26,552 *
2	Short-term investments.	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 2002, \$ 7,594 ; 2001, \$ 6,455). NOTE 2.	104,928	52,795
4	Inventories.	2,335	2,397
5	Prepaid expenses and other current assets.	2,762	3,114
6	Total current assets.	141,868	84,858
7	Investments, Advances, and Receivables. NOTES 1 and 3.	144,808	127,793 *
8	Property and Equipment - Gross. NOTES 1 and 4.	1,099,550	1,055,062
9	Less: Accumulated Depreciation/Amortization. ... NOTES 1 and 4.	(537,281)	(503,340)
10	Property and Equipment - Net.	562,269	551,722
11	Other Assets.	233	590
12	Total Assets.	\$ 849,178	\$ 764,963
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts payable.	\$ 5,814	\$ 6,037 *
14	Notes payable.	-	-
	Current portion of long-term debt.		
15	Due to affiliates.	-	-
16	Other.	59	56
17	Income taxes payable and accrued.	-	-
18	Other accrued expenses. NOTE 5.	28,758	26,428 *
19	Other current liabilities. NOTE 6.	4,426	8,462
20	Total current liabilities.	39,057	40,983
	Long-Term Debt:		
21	Due to affiliates. NOTE 7.	533,500	500,000
22	Other. NOTE 7.	1,740	1,880
23	Deferred Credits.	-	-
24	Other Liabilities. NOTE 8.	2,023	2,137
25	Commitments And Contingencies. NOTE 1.	-	-
26	Total Liabilities.	576,320	545,000
27	Stockholders', Partners', Or Proprietor's Equity.	272,858	219,963 *
28	Total Liabilities And Equity.	\$ 849,178	\$ 764,963

*Restated to conform to the 2002 presentation.

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (b)	2002 (c)	2001 (d)
	REVENUE:		
1	Casino	\$ 126,317	\$ 123,499
2	Rooms	8,753	8,227
3	Food and Beverage	18,174	17,839
4	Other	2,936	3,003
5	Total Revenue	156,180	152,568
6	Less: Promotional allowances	28,803	30,303 *
7	Net Revenue	127,377	122,265
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	72,625	72,293
9	Selling, General, and Administrative	14,261	14,536 *
10	Provision for Doubtful Accounts	858	486
11	Total costs and expenses	87,744	87,315
12	Gross Operating Profit	39,633	34,950
13	Depreciation and amortization	8,788	8,702
	Charges from affiliates other than interest:		
14	Management fees NOTE 9...	4,190	4,076
15	Other	---	---
16	Income (Loss) from Operations	26,655	22,172
	Other Income (Expenses):		
17	Interest (expense) - affiliates NOTE 7...	(11,258)	(10,583)
18	Interest (expense) - external	(65)	(70)
19	Investment alternative tax and related income (expense) - net	(1,458)	(975)
20	Non-operating income (expense) - net NOTE 10..	(378)	(344)
21	Total other income (expenses)	(13,159)	(11,972)
22	Income (Loss) Before Income Taxes and Extraordinary Items	13,496	10,200
23	Provision (credit) for income taxes	5,782	4,559
24	Income (Loss) Before Extraordinary Items	7,714	5,641
25	Extraordinary items (net of income taxes)	---	---
26	Net Income (Loss)	\$ 7,714	\$ 5,641

*Restated to conform to the 2002 presentation.

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10/16/02

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001 AND THE THREE MONTHS ENDED MARCH 31, 2002

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid - In Capital (g)	----- ----- ----- (h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholder's Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2000	100	\$ 1			\$ 128,260		\$ 86,061	\$ 214,322
2	Net Income - 2001							50,822	50,822
3	Contribution to Paid - In Capital								
4	Dividends								
5	Prior Period Adjustments								
6	Distribution to PPE								
7									
8									
9									
10	Balance, December 31, 2001	100	1			128,260		136,883	265,144
11	Net Income - 2002							7,714	7,714
12	Contribution to Paid - In Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	Balance, March 31, 2002	100	\$ 1			\$ 128,260		\$ 144,597	\$ 272,858

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

STATEMENT OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001 AND THE THREE MONTHS ENDED MARCH 31, 2002

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2000.				
2	Net Income (Loss) - 2001.				
3	Capital Contributions.				
4	Capital Withdrawals.				
5	Partnership Distributions.				
6	Prior Period Adjustments.				
7					
8					
9					
10	Balance, December 31, 2001.				
11	Net Income (Loss) - 2002.				
12	Capital Contributions.				
13	Capital Withdrawals.				
14	Partnership Distributions.				
15	Prior Period Adjustments.				
16					
17					
18					
19	Balance, March 31, 2002.				

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

Page 1 of 2

FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LIN (a)	Description (b)	2002 (c)	2001 (d)
1	Net Cash Provided (Used) By Operating Activities	\$ 16,062	\$ 14,203
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	---	---
3	Proceeds from the sale of short-term investment securities	---	---
4	Purchase outflows for property and equipment	(7,435)	(4,072)
5	Proceeds from disposition of property and equipment	---	75
6	Purchase of casino reinvestment obligations	(1,644)	(1,440)
7	Purchase of other investments and loans/advances made	---	---
8	Proceeds from disposal of investments and collection of advances and long-term receivables	1,555	(55)
9	Cash outflows to acquire business entities	---	---
10	---	---
11	Net book values of disposals	---	---
12	Net Cash Provided (Used) By Investing Activities	(7,524)	(5,492)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	---	---
14	Payments to settle short-term debt	---	---
15	Cash proceeds from issuance of long-term debt	---	---
16	Costs of issuing debt	---	---
17	Payments to settle long-term debt	(84)	(17)
18	Cash proceeds from issuing stock or capital contributions	---	---
19	Purchases of treasury stock	---	---
20	Payments of dividends or capital withdrawals	---	---
21	Change in payable to/receivable from affiliate	(5,389)	(10,795)
22	---	---
23	Net Cash Provided (Used) By Financing Activities	(5,473)	(10,812)
24	Net Increase (Decrease) In Cash And Cash Equivalents	3,065	(2,101) *
25	Cash And Cash Equivalents At Beginning Of Period	28,778	28,653 *
26	Cash And Cash Equivalents At End Of Period	\$ 31,843	\$ 26,552 *

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	\$ 11,323	\$ 10,653
28	Income taxes	\$ 5,782	4,559

*Restated to conform to the 2002 presentation.

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

Page 2 of 2

FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001

(UNAUDITED)
(\$ IN THOUSANDS)

LIN (a)	Description (b)	2002 (c)	2001 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 7,714	\$ 5,641
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	8,788	8,702
31	Amortization of other assets	—	—
32	Amortization of Debt Discount or Premium	—	—
33	Deferred Income taxes - current	—	—
34	Deferred income taxes - noncurrent	—	—
35	(Gain) loss on disposition of property and equipment	—	39
36	(Gain) loss on casino reinvestment obligations	1,458	975
37	(Gain) loss from other investment activities	656	937
38	Net (increase) decrease in receivables and patrons' checks	(4,477)	(1,810)
39	Net (increase) decrease in inventories	(72)	(257)
40	Net (increase) decrease in other current assets	(155)	(311)
41	Net (increase) decrease in other assets	—	(289)
42	Net increase (decrease) in accounts payables	151	(238) *
43	Net increase (decrease) in other current liabilities excluding debt	2,028	843 *
44	Net increase in other noncurrent liabilities excluding debt	(29)	(29)
45	Loss on extinguishment of debt, net of income tax benefit	—	—
46	Amortization of CRDA assets	—	—
47	Net Cash Provided (Used) By Operating Activities	\$ 16,062	\$ 14,203

SUPPLEMENTAL SCHEDULE OF INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	\$ 7,435	\$ 4,072
49	Less: Capital lease obligations incurred	—	—
50	Cash Outflows For Property And Equipment	\$ 7,435	\$ 4,072
	Acquisition Of Business Entities:		
51	Property and equipment acquired	\$ —	\$ —
52	Goodwill acquired	—	—
53	Net assets acquired other than cash, goodwill, and property and equipment	—	—
54	Long-term debt assumed	—	—
55	Issuance of stock or capital invested	—	—
56	Cash Outflows To Acquire Business Entities	\$ —	\$ —
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	\$ —	\$ —
58	Less: Issuances to settle long-term debt	—	—
59	Consideration in acquisition of business entities	—	—
60	Cash Proceeds From Issuing Stock Or Capital Contributions	\$ —	\$ —

*Restated to conform to the 2002 presentation.

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED MARCH 31, 2002

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	141,005	\$ 5,282		\$
2	Food	511,810	6,967		
3	Beverage	2,039,843	4,080		
4	Travel			12,704	932
5	Bus Program Cash	247,229	3,561		
6	Other Cash Complimentari	675,603	8,416		
7	Entertainment	14,393	300	970	121
8	Retail & Non-Cash Gifts	3,269	146	92,482	2,366
9	Parking				
10	Other *	1,702	51	38,916	457
11	Total	3,634,854	\$ 28,803	145,072	\$ 3,876

* No item in this category exceeds 5%.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and basis of presentation

The accompanying financial statements include the accounts of Bally's Park Place, Inc., a New Jersey corporation (the "Company"), a wholly owned subsidiary of Park Place Entertainment Corporation ("PPE"). The Company owns and operates the casino hotel resort in Atlantic City, New Jersey known as "Bally's Atlantic City", and was formerly known as "Bally's Park Place Casino Resort." The Company operates in one industry segment and all significant revenues arise from its casino and supporting hotel operations. The accompanying financial statements should be read in conjunction with the Company's Casino Control Commission Quarterly Report for the year ended December 31, 2001.

All adjustments have been recorded which are, in the opinion of management, necessary for a fair presentation of the balance sheets of the Company at March 31, 2002 and 2001, and its statements of income for the three months ended March 31, 2002 and 2001 and its statements of cash flows for the three months ended March 31, 2002 and 2001. All such adjustments were of a normal recurring nature.

Seasonal factors

The Company's operations are subject to seasonal factors and, therefore, the results of operations for the three months ended March 31, 2002 and 2001 are not necessarily indicative of the results of operations for the full year.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses reported during the period. Actual results could differ from such estimates.

Reclassifications

The financial statements for the prior year reflect certain reclassifications to conform with classifications adopted in 2002. These reclassifications had no impact on previously reported net income.

Revenue recognition and promotional allowances

Casino revenues represent the net revenue from gaming wins and losses. The revenues from hotel, food and beverage, and from theater ticket sales are recognized at the time the related services are performed. The Statement of Income reflects operating revenues including the retail value of complimentary services (also known as promotional allowances), which are deducted on a separate line to arrive at net revenues. Promotional allowances are provided to casino patrons without charge.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

In the first quarter of 2001, the Emerging Issues Task Forces ("EITF") reached a consensus on certain issues in EITF 00-22 "Accounting for 'Points' and Certain Other Time-Based Sales Incentive Offers, and Offers for Free Products or Services to Be Delivered in the Future." EITF 00-22 requires that cash rebates or refunds as part of a customer loyalty program be shown as a reduction of revenues.

EITF 00-14 "Accounting for Certain Sales Incentives," which is effective January 1, 2002, focuses on the accounting for, and presentation of, discounts, coupons and rebates. EITF 00-14 requires that cash or equivalent amounts provided or returned to customers as part of a transaction should not be shown as an expense but should be an offset to the related revenue. The Company offers cash inducements and match-play coupons to customers to encourage visitation and play at the casino.

With the adoption of the new standards, the prior-year period presented has been reclassified to conform to the new presentation. This resulted in an addition to promotional allowances (and a corresponding reduction in selling, general and administrative expenses) of \$11,977 and \$13,453, for the three months ended March 31, 2002 and 2001, respectively. The requirements of EITF 00-14 and EITF 00-22 do not have an impact on previously reported operating income or net income.

Inventories

Inventories are stated at the lower of cost (weighted average cost method) or market, which approximates replacement cost.

Property and equipment

Depreciation of property and equipment is provided on the straight-line basis the estimated economic lives of the related assets. Depreciation expense was \$8,788 and \$8,702 for the three months ended March 31, 2002 and 2001, respectively.

<u>Asset class</u>	<u>Life</u>
Buildings	40 years
Building improvements	3-10 years
Furniture, Fixtures and Equipment	3-10 years

Long-lived assets

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"). Under SFAS 142, goodwill and indefinite-lived intangible assets are no longer amortized but are reviewed at least annually for impairment. Separate intangible assets that are not deemed to have an indefinite life will continue to be amortized over their useful lives (but with no maximum life). The Company is required to adopt SFAS 142 effective January 2002. The Company has not determined the effect, if any, the adoption of SFAS 142 will have on its financial position and results of operations.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Fair value of financial instruments

The fair values of the Company's financial instruments including receivables, payables and debt approximate their recorded book values at March 31, 2002 and 2001.

Investments in subsidiaries

The Company has an investment in GNOC, Corp. (which owns and operates the casino hotel resort in Atlantic City known as the "Atlantic City Hilton"). The Company also has investments in three other subsidiaries, Atlantic City Country Club, Inc., Bally's Land Ventures, Inc. and Bally's Skyscraper, Inc ("BSI"). On June 1, 2001, BSI purchased the assets and assumed certain liabilities of the Claridge at Park Place, Inc. ("CPPI") and Atlantic City Boardwalk Associates ("ACBA"), and commenced operation of the casino hotel resort in Atlantic City known as the "Claridge." On December 18, 2001, the Company filed a certificate of merger combining three wholly-owned subsidiaries, Bally's Park Place Realty Co., B.W. Realty, Inc. and Bally Warwick, Inc. with and into Bally's Park Place, Inc. This transaction was accounted for at historical cost. The investments in all subsidiaries are reflected in the accompanying financial statements using the equity method.

Allocations and transactions with related parties

The Company transfers cash in excess of its operating needs to PPE on a daily basis. PPE provides the Company with cash advances for capital expenditures and working capital needs.

Certain executive, administrative and support operations of the Company and other PPE affiliates are consolidated, including limousine services, legal services, advertising, sales and marketing services, purchasing and certain other administrative departments. Costs of these operations are allocated to or from the Company either directly or using various formulas based on estimates of utilization of such services. Management believes the methods used to allocate these costs are reasonable.

Income taxes

Taxable income or loss of the Company is included in the consolidated federal income tax return of PPE. The Company provides for income taxes by applying the respective state and federal statutory rates to the pre-tax financial statement income. The corresponding liability or receivable is credited or charged to PPE. Deferred income tax assets and liabilities for temporary differences between the carrying amounts for financial reporting and income tax purposes, if any, are accounted for by PPE.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Casino Reinvestment Development Authority

The New Jersey Casino Control Act provides, among other things, for an assessment of licensees equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company has satisfied this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the Casino Reinvestment Development Authority (the "CRDA"). Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have terms up to fifty years and bear interest at below market rates. The Company records a charge to reflect the estimated realizable value of its CRDA investments.

NOTE 2 – RECEIVABLES AND PATRONS' CHECKS

Receivables and patrons' checks as of March 31 consist of the following:

	<u>2002</u>	<u>2001</u>
Casino receivables (net of allowance for doubtful accounts – \$7,529 in 2002 and \$6,390 in 2001)	\$ 5,816	\$ 7,358
Other (net of allowance for doubtful accounts – \$65 in 2002 and 2001)	2,916	4,277
Due from PPE	85,950	15,149
Due from Caesars Atlantic City	3,455	9,232
Due from Atlantic City Country Club, Inc.	323	14,716
Due from affiliates	6,468	2,063
	<u>\$ 104,928</u>	<u>\$ 52,795</u>

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 3 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of March 31 consist of the following:

	<u>2002</u>	<u>2001</u>
Investment in wholly owned subsidiaries (see Note 1):		
Atlantic City Country Club, Inc.	\$ 16,507	\$ 17,536
Bally's Park Place Realty Company	-	15,625
B.W. Realty, Inc.	-	5,307
Bally Warwick, Inc.	-	3,228
Bally's Land Ventures Realty, Inc.	14,342	14,342
Bally's Skyscraper, Inc.	33,340	-
GNOC, Corp.	<u>52,246</u>	<u>42,796</u>
Total investment in subsidiaries	116,435	98,834
Casino Reinvestment Development Authority		
Investment obligations (less valuation reserves of \$11,012 in 2002 and \$11,557 in 2001)	26,177	26,040
Jacobs Family Terrace mortgage receivable (less reserve of \$250 in 2002 and 2001)	1,445	1,812
Long-term receivable from GNOC, Corp.	<u>751</u>	<u>1,107</u>
	<u>\$144,808</u>	<u>\$127,793</u>

The Company, GNOC, Corp. and the CRDA entered into a credit exchange agreement and an investment agreement in 1998. The credit exchange agreement permits the exchange of certain current and future CRDA obligations between the Company and GNOC, Corp. resulting in the long-term receivable from GNOC, Corp. The investment agreement provides an investment plan for use of certain current and future CRDA funds.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment as of March 31 consist of the following:

	<u>2002</u>	<u>2001</u>
Land	\$ 99,041	\$ 79,492
Buildings and improvements	750,052	742,692
Furniture, fixtures and equipment	240,339	228,810
Construction in progress	<u>10,118</u>	<u>4,068</u>
	1,099,550	1,055,062
Less accumulated depreciation and amortization	<u>(537,281)</u>	<u>(503,340)</u>
	<u>\$ 562,269</u>	<u>\$ 551,722</u>

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 5 - OTHER ACCRUED EXPENSES

Other accrued expenses as of March 31 consist of the following:

	<u>2002</u>	<u>2001</u>
Accrued payroll and benefits	\$ 15,367	\$ 13,523
Insurance claims	5,465	5,021
Other	7,926	7,884
	<u>\$ 28,758</u>	<u>\$ 26,428</u>

NOTE 6 - OTHER CURRENT LIABILITIES

Other current liabilities as of March 31 consist of the following:

	<u>2002</u>	<u>2001</u>
Chip and token liability	\$ 1,263	\$ 1,654
Due to affiliates	2,331	5,524
Other	832	1,284
	<u>\$ 4,426</u>	<u>\$ 8,462</u>

NOTE 7 - LONG-TERM DEBT-DUE TO AFFILIATES AND OTHER

Long-term debt-due to affiliates and other as of March 31 consist of the following:

	<u>2002</u>	<u>2001</u>
Long-term debt due to affiliates:		
8.5% Note payable to Park Place Finance Corporation ("PPFC") due May 31, 2011	\$ 33,500	\$ -
8.5% Note payable to PPFC due January 1, 2009	500,000	500,000
	<u>\$ 533,500</u>	<u>\$ 500,000</u>
Long-term debt-other:		
Other secured and unsecured debt	<u>\$ 1,740</u>	<u>\$ 1,880</u>

In January 1999, the Company executed a \$500,000 note payable to PPE with interest at a rate of 8.5% per annum, payable on the last business day of each quarter. On July 1, 2000, PPE assigned the \$500,000 note to PPFC. On June 1, 2001 the Company executed a \$33,500 note payable to PPFC with interest at a rate of 8.5% per annum, payable on the last business day of each quarter, the proceeds of which were invested in BSI.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 8 - OTHER LIABILITIES

Other liabilities as of March 31 consist of the following:

	<u>2002</u>	<u>2001</u>
Retirement and other employee benefit plans	\$ 1,509	\$ 1,668
Other	514	469
	<u>\$ 2,023</u>	<u>\$ 2,137</u>

NOTE 9 - CHARGES FROM AFFILIATES-MANAGEMENT FEE

The Company and PPE have entered into an administrative services and management agreement. Under the agreement, PPE provides certain services to the Company in the conduct of its business including, but not limited to operations, marketing, banking, accounting, insurance, tax, regulatory and public company reporting, human resource and benefit administration and other administrative functions. In consideration for these services, the Company pays PPE a monthly management fee equal to three percent of revenues (net of complimentary services).

NOTE 10 - NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income (expense) for the three months ended March 31 consist of the following:

	<u>2002</u>	<u>2001</u>
Interest income	\$ 51	\$ 429
Gain (loss) on sale of assets	-	(39)
Equity in income (loss) of unconsolidated subsidiaries	(656)	(937)
Other	227	203
	<u>\$ (378)</u>	<u>\$ (344)</u>

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.


Signature

Controller
Title

#7091-11
License Number

On Behalf Of:
Bally's Park Place, Inc. NJ
Casino Licensee